

PSC CHAIRMAN CALLS FOR INCREASED FUNDING FOR THOSE WHO ARE STRUGGLING WITH HIGH UTILITY BILLS

Jefferson City (August 2, 2001)---“**Even though energy prices aren’t in the headlines right now, I want to alert you to the potential for crisis in your district,**” PSC Chairman Kelvin Simmons stated in a letter sent to members of the Missouri Congressional delegation. “**Some of your constituents face disconnection of utility service because they’re living on the edge and can’t make ends meet. They’re still paying for last winter’s heating bills, incurring costs for air conditioning and trying to budget for other life necessities.**”

Even though the chill of the coldest November and December in Missouri history are behind us, the effects are still being felt by Missourians struggling to pay high natural gas bills from last winter. Record cold and natural gas prices that topped \$10.00 per Mcf (1,000 cubic feet) in January have resulted in many customers being behind in paying their bills, facing disconnection for non-payment or having already had their service disconnected for non-payment. Lack of available federal funding to help those in need is a growing problem.

Some Missouri agencies ran out of federal Low Income Home Energy Assistance Program (LIHEAP) funding and customers are still trying to pay last winter’s home heating bills. Little or no money has been available for cooling assistance this summer.

“In April of this year I alerted several of our state legislators to this growing problem,” stated Simmons. “At that time Missouri had used most, if not all, of its LIHEAP money to help those in need pay high natural gas bills. As was the case in April, we are now facing an unforeseen dilemma. For example, Missouri Gas Energy has stated that one in nine of its customers is behind in paying their natural gas bills. Winter is just around the corner, and we must account for the real possibility that some customers will go into the season with no heat as they have been or will be disconnected for non-payment.”

FACTS:

*** Missouri has been among the top one-fourth of states with LIHEAP-assisted households.**

(More)

***In Missouri, approximately 89,000 households received heating assistance through LIHEAP in FY 2000.**

*** About 44,950 Missouri households received some form of cooling, weatherization or energy crisis intervention assistance through LIHEAP in FY 2000.**

“I am not comfortable with the idea that families who lose gas or electric service will suffer during extreme weather conditions,” Chairman Simmons stated in his letter to the Missouri Congressional delegation. “On behalf of the Public Service Commission, I urge you to help prevent a crisis by granting increased funding for the Low Income Home Energy Assistance Program. This is the Commission’s top priority at the national level.”

“This past winter’s high natural gas bills have had a tremendous impact on the already strapped budgets of a large number of low-income and senior citizen families in Missouri. We simply must find a way to help those in need. We need additional federal money through the Low Income Home Energy Assistance Program (LIHEAP), and I will work hard toward that goal.”

The Missouri Public Service Commission has urged the Missouri Congressional delegation to support at least \$3 billion in LIHEAP funding nationwide for FFY 2002 and at least \$3 billion in advance appropriations for FFY 2003. Missouri had approximately \$53 million available for energy assistance in FFY 2001. This included \$42 million in new LIHEAP funds; \$9 million distributed in FFY 2000 that could be spent in the current fiscal year; and some funds carried over from the previous fiscal year.

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